

Congress of the United States
Washington, DC 20515

June 17, 2009

The Honorable Timothy Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

We understand that the Obama Administration has recently announced that it is allowing 10 of the nation's largest banks to voluntarily return more than \$68 billion in taxpayer-assistance received from the Troubled Asset Relief Program (TARP). That is in addition to several smaller financial institutions who have notified the Treasury Department of their intentions to voluntarily repay TARP funds.

We are writing to urge you to reallocate a significant amount of the returned TARP funds to protect responsible homeowners from home foreclosure, which is the root cause of our current economic recession. Specifically, we believe such funds should be reallocated to the President's Making Home Affordable Plan to assist those homeowners in areas that have been severely affected by the foreclosure crisis.


Our states and communities have been disproportionately affected by foreclosures. As you know, Credit Suisse estimates that over 8 million homeowners are expected to fall into foreclosure over the next few years. However, that number is continuing to rise as job losses increase. That fact is becoming a reality as foreclosure filings are actually exceeding the rate based on Credit Suisse's sobering projections.

We want to ensure that responsible homeowners in the hardest-hit areas of the country are able to qualify for a refinance or loan modification under the President's plan. In these areas, homeowners are severely underwater and many have second liens on their property. Additional funds could increase resources in order to help more principal homeowners in severely affected areas to stay in their homes under the President's foreclosure plan. For example, funds could be used to provide refinance options to homeowners with loans of more than 105% of the current home value or increase modification efforts for those who are unable to make their full payment after a rate increase or a job loss.

Because of that, we urge you to reallocate returned TARP funds to the President's Making Home Affordable Plan to assist more Americans living in severely impacted foreclosure areas.

All principal borrowers, in all parts of our country, should be properly assisted under the President's plan. We need to ensure that we stabilize the housing market, not only for the sake of our economy, but for the good of our neighbors, communities, and state and local governments. Thank you for your assistance.

Sincerely,


DORIS O. MATSUI
Member of Congress
SHELLEY BERKLEY
Member of Congress
KATHY CASTOR
Member of Congress
BETTY SUTTON
Member of Congress
DINA TITUS
Member of Congress